

CITY OF ELGIN BUDGET COMMITTEE MEETING
MAY 11, 1989

The first formal budget committee meeting for the City of Elgin for the budget year 1989/1990 was held, Thursday May 11, 1989 at 7:00PM at the Elgin Community Center Building. Those present were:

City Recorder/Administrator--Joe Garlitz

Mayor Lloyd Spikes

Councilors: Pat McMullen, Juanita Clum, Bud Rogers, Karen Nasura, Sharon Stover, Councilor Clayton Breckon was not present.

Budget committee members: Chairman Russell Hug, Secretary Ethel Smith, Berta Churchill, Jim Ludwig, Betty Knapp, Colleen McDonald, Pete McCabe

City Clerk - Winona Bonney taking minutes of the meeting.

Chairman Russell Hug called the meeting to order promptly at 7:00PM. Chairman Hug requested that everyone introduce themselves. It was determined that the meeting should conclude by at least 9:30 PM.

Chairman Hug expressed his appreciation for the documentation that had been presented to the budget committee, and then turned the meeting over Mr. Garlitz for the presentation of the budget message. Mr. Garlitz suggested that it might be easier if the budget was approved by category, and at this time presented the budget calendar to the members. The earliest the City Council could hold a meeting to adopt the approved budget would be 15 days after the approval by the budget committee. Tuesday May 16, Thursday May 18 and possibly Tuesday May 23, and Thursday May 25 were set up as the next meetings for the budget committee. The next two meetings will be held in the Municipal Court Room at 108 N. 8th at 7:00PM, this location change was necessary do to the use of the Community Center on these dates. City Clerk Winona Bonney will be serving as clerk of the Municipal Court on Tuesday May 16th, Secretary Ethel Smith will take the minutes of the meeting.

Chairman Hug requests that Secretary Ethel Smith read the minutes of the meeting of March 28, 1989, have not received requests for any additions or deletions to the minutes they stand approved as read.

City Recorder/Administrator, Joe Garlitz read the budget message to the committee and presented the budget, stating the present budget balanced reluctantly. Mr. Garlitz stated that the Parks & Leisure Fund would be a separate fund again this year in order to better account for these special monies that are received. The Water/Sewer Fund was established last year. This year each of these will be a separate fund, because of the sewer project, to show that we have adequate funds to pay for the program.

a Small Cities Grant of \$25,000 which we probably will receive in

two budget years 1/2 in 1989/1990 and 1/2 in 1990/1991. These grant monies are available for special projects, streets that have unusual amounts of traffic, such as the street in front of the High School. Chairmen Hug asked how the water reserve fund gets established, Joe explained the resolution had been established at the last council meeting. Ethel Smith asked about the \$1.00 increase in the sewer fees, Joe stated that \$15,000.00 would go into the bonded debt fund for the new sewer project. The amount due on our present bond debt is \$24,915.00. Chairmen Hug asked the status of the sewer project and Joe explained we are waiting to hear from Fm Home and also there is a chance we could get bonds from DEQ. Construction is to start in the Spring of 1990 with the completion to be November of the same year.

Joe explained the graphics he had prepared, the tax levy is lower than the preceeding 3 years, higher than the 85/86 budget. He explained the tax rates, valuation and also the fund revenues and expenditures.

Chairmen Hug requested that the Parks & Leisure Fund discussion be delayed until Margaret Obie could be present.

The following funds were presented with no objections to the budget proposals:

9-1-1

Sewer Improvement Project

Water System Reserve-Joe explained the transfer from the General Fund was to assure monies for Water System Maintenance.

Karen asked if the \$2,230.00 would be enough for repairs, Joe stated it would not but the \$45,300.00 transfer would be, however this probably was not enough money.

Sewer System Reserve-This fund was established because it will be needed next year when our sewer project gets under way. Karen asked if it is not used will it stay in the budget. Joe stated that it would, however if it is not used in 10 years it needs to be re-established.

Bonded Debt-A reduction in transfers to this fund will increase taxes. Chairmen Hug asked about conditions of the

Water/Sewer Fund for this year, wondering if the \$11,600 might be able to be used on the streets. Joe explained that DEQ wants to know that we are collecting enough money to pay for our system. These monies can only be used for Water/Sewer because Bond Tax Levies are in addition to Property Tax.

Jim Ludwig asked how much gravel it would take to gravel the the whole system, he expressed concern about all the dust there

\$36,000.00, this would be top rock with no base or grading.

Sewer Fund-This year the Water Fund is seperate as well as the Sewer Fund to have better accounting of these monies. Next year we will need a capital reserve fund for equipment.

Water Fund-

The insurance package for the City Employees was discussed. The City currently pays the entire cost of \$315.00 per each employee. The rates will increase 17.8% for medical and 8.8% for the dental.

This budget proposes that the City pay \$325.00 of the insurance package with the balance to be picked by the employees. A decision was not made at this time.

After a 10 minute break Chairmen Hug called the meeting back to order.

Mayor Spikes asked to return to the Water Fund regarding the contracting of labor to read the meters rather than have Public Works personnel do this job. Mr. Garlitz explained there was additional money in that fund to cover this. Ethel Smith stated that if one person were to do the work all the time it could be done for less money. Kare made a motion to add \$2,000.00 to expenditures in the Water Fund for contract labor to read meters with a second by Pat, motion carried.

Street Fund-Discussion again on the \$25,000.00 grant available for heavily traveled streets. Jim Ludwig made a motion to have an evaluation done on the streets to find out the exact cost and then proceed with a bond election and let the people decide. Juanita second with a vote of 7 for and 6 against the motion carried. Chairman Hug stated that the people need to help pay for the streets, Councilor Sharon Stove explained the people just don't have any more money.

There was a change in Parks & Leisures as proposed adding \$330.00 to resources as office rent and adding that to pool repair and maintenance in the expenditures of that fund.

Sharon Stover made a motion to adjourn second by Colleen McDonald, motion carried.

Ethel Smith, Secretary